

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL****FOR: HEALTH CARE FINANCING ADMINISTRATION**

1. TRANSMITTAL NUMBER:

01 - 023

2. STATE:

Arkansas

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL
SECURITY ACT (MEDICAID)

4. PROPOSED EFFECTIVE DATE

9-17-01

TO: REGIONAL ADMINISTRATOR
HEALTH CARE FINANCING ADMINISTRATION
DEPARTMENT OF HEALTH AND HUMAN SERVICES

5. TYPE OF PLAN MATERIAL (Check One):

☐ NEW STATE PLAN☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN☒ AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION:

42 CFR Part 447, Subpart C

7. FEDERAL BUDGET IMPACT:

a. FFY 2001 \$ 0
b. FFY 2002 \$ 0

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

* Attachment 4.19-D
Page 2-19. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION
OR ATTACHMENT (If Applicable):* Attachment 4.19-D
Page 2-1 TN 01-05

10. SUBJECT OF AMENDMENT:

Plan has been amended to allow long-term care providers the flexibility of setting rates for non-Medicaid residents as low as 80% of the weighted average Medicaid rate without affecting Medicaid reimbursement.

11. GOVERNOR'S REVIEW (Check One):

- ☒
- GOVERNOR'S OFFICE REPORTED NO COMMENT
-
- ☐
- COMMENTS OF GOVERNOR'S OFFICE ENCLOSED
-
- ☐
- NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

☐ OTHER, AS SPECIFIED:

12. SIGNATURE OF STATE AGENCY OFFICIAL:

Ray Hanley

13. TYPED NAME:

Ray Hanley

14. TITLE:

Director

15. DATE SUBMITTED:

8-3-01

16. RETURN TO:

Arkansas Division of Medical Services
P. O. Box 1437, Slot 1103
Little Rock, AR 72203-1437

ATTN: Binnie Alberius

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED:

8-8-01

18. DATE APPROVED:

12 SEPTEMBER, 2001

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:

17 SEPTEMBER, 2001

20. SIGNATURE OF REGIONAL OFFICIAL:

Calvin G. Chie

21. TYPED NAME:

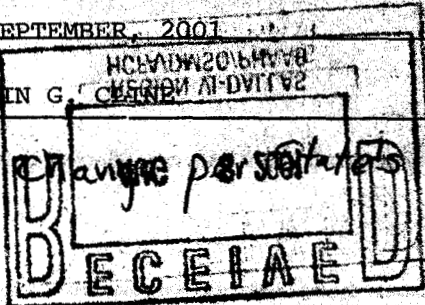
CALVIN G. CHIE

22. TITLE:

ASSOCIATE REGIONAL ADMINISTRATOR
DIV OF MEDICAID & STATE OPERATIONS

23. REMARKS:

* Pen & ink change per state request.





DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services

Calvin G. Cline

Associate Regional Administrator, Medicaid and State Operations

1301 Young Street, Room 827
Dallas, Texas 75202
Phone (214) 767-6301
Fax (214) 767-0270

September 12, 2001

Our reference: SPA-AR-01-23

Mr. Ray Hanley, Director
Division of Medical Services
Arkansas Department of Human Services
Post Office Box 1437, Slot 1103
Little Rock, Arkansas 72203-1437

Dear Mr. Hanley:

We have reviewed the proposed amendment to your Medicaid State plan submitted under transmittal no. (TN) 01-23. This amendment revises the plan language effective for services on or after September 17, 2001; to revise the customary charge limits for nursing facility reimbursement. Each nursing facility's Medicaid reimbursement is limited to 125% of the weighted average of rates of other payers.

We conducted our review of your submittal according to the statutory requirements at sections 1902(a)(13)(A) and 1902(a)(30) of the Social Security Act and the regulations at 42 CFR 447 Subpart C. Based on the information you submitted we have approved the amendment for incorporation into the official Arkansas State plan effective September 17, 2001. We have enclosed a copy of HCFA-179, TN 01-23, dated September 12, 2001, and the amended plan page. If you have any questions, please call Billy Bob Farrell at (214) 767-6449.

Sincerely,

Calvin G. Cline
Associate Regional Administrator
Division of Medicaid and State Operations

cc: Elliot Weisman, CMSO, PCPG
Commerce Clearing House

Enclosures

Chapter 2 - Payment Method

Federal law requires that states use published payment methodologies and justifications which specify comprehensively the methods and standards for making Medicaid provider payments to long term care facilities.

2-1 Assurance of Payment

Certified Title XIX Long Term Care Facilities furnishing services in accordance with all state and federal Medicaid laws and rules will be paid in accordance with rates established under the state Medicaid plan.

2-2 Acceptance of Payment

Participation in the Title XIX Program is limited to those Facilities which agree to accept the Medicaid payment as payment in full for all care services provided to Medicaid recipients.

2-3 Rate Limitations Based on Medicaid Rates

The purpose of this provision is to assure that the Medicaid program is not charged unfairly high rates as compared to other payers. To that end, Medicaid reimbursement is limited by the weighted average per diem rates charged to other payers. Specifically if a long-term care facility charges other long-term care payers less than 80% of the Medicaid rate for long-term care services, (except for those public facilities rendering long-term care services free of charge or at a nominal charge) then the weighted average Medicaid reimbursement will be reduced to no more than 125% of the facility's weighted average reimbursement. For purposes of applying this rule: (1) Weighted average per diem rates for other payers will be compared to the weighted average Medicaid per diem rates by fiscal year; (2) The 60 consecutive days after a Medicaid rate increase shall not be considered; and (3) No facility shall be required to make a retroactive rate adjustment.

2-4 Facility Class

The Department has established the following specific payment methods:

SUPERSEDES: TN- AR 01-05

STATE <u>Arkansas</u>	A
DATE REC'D <u>08-08-01</u>	
DATE APP'D <u>09-12-01</u>	
DATE EFF <u>09-17-01</u>	
HCFA 179 <u>AR - 01-022</u>	